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SUBJECT: MEDIA REACTION: U.S. VISA WAIVER PROGRAM, U.S. FINANCIAL CRISIS

¶1. Summary: Taiwan's major Chinese-language dailies focused October 18-20 news coverage on the funeral of Formosa Plastics Group founder Wang Yung-ching; on the DPP's planned rally on October 25 to protest the Ma Ying-jeou Administration's "pro-China" policy and the upcoming visit to Taiwan by China's Association for Relations across the Taiwan Strait Chairman Chen Yunlin; on the continuing probe into former first family's money laundering case; and on the Cabinet's decision Sunday to extend for another week the limit on the daily percentage drop it will allow in the stock market before the government intervenes. In terms of editorials and commentaries, an editorial in the conservative, pro-unification, English-language "China Post" protested the U.S. government's recent decision to "exclude" Taiwan from the U.S. Visa Waiver Program (VWP). The article said, "the U.S. has an obligation to reciprocate by considering the inclusion of Taiwan in the VWP," as Taiwan "has long granted visa-free entry to U.S. nationals coming for short business or pleasure visits." An op-ed in the pro-independence, English-language "Taipei Times," on the other hand, discussed the U.S. financial crisis and its possible impact on Taiwan in particular. The article said the U.S. "will find it harder to denounce China for human rights abuses while simultaneously expecting Beijing to keep buying US Treasury bills. If China's ownership of U.S. debt exceeds a certain threshold, Beijing may even hold veto power over US support for Taiwan, especially in a military contingency across the Taiwan Strait." End summary.

¶2. U.S. Visa Waiver Program

"Taiwan Deserves Visa Waiver"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (10/19):

"On Friday, U.S. President George W. Bush announced the pending inclusion of Latvia, Lithuania, Estonia, Hungary, the Czech Republic, Slovakia and South Korea in Washington's 'Visa Waiver Program' (VWP). ... However, we were very disappointed to see Washington did not include ROC passport holders in the VWP. Living standards and income levels here in Taiwan are just as high, or even higher, than many of the countries included on the VWP list. Due to geopolitical realities, our government was not able to supply troops for the U.S.-led War on Terror. However, our government has taken numerous other steps to assist Washington in its struggle against international terrorism, and the U.S. Congress has long regarded us as a quasi-ally. According to media reports, the U.S. government is still in the process of reviewing Taiwan's request to be included in the VWP. It is our hope that this process of review, which mainly focuses on the rate of refusal for visa applicants at the American Institute in Taiwan (AIT), can be completed as soon as possible.
..."

"These days it is rare to hear of any Taiwanese 'jumping the plane' and overstaying their visitor visas in the United States, a phenomenon that was still common as late as the 1980s. Indeed, there are probably more than a few U.S. citizens who have overstayed

their visas here in Taiwan due to economic opportunities here. Now that South Korea and Singapore are included in the VWP, Taiwan and Hong Kong are the only remaining members of the 'Asian Tiger' economies to be left off. Ideally, we want to see ROC passport holders enjoying VWP status before the end of next year. ... If the U.S. administration is not yet ready to grant ROC passport holders visa-free status in the U.S. mainland now, it should accelerate its review of a request by the state government of Hawaii to grant ROC passport holders visa-free entry into the Aloha state, which is just about eight hours' flying time from here. ...

"Taiwanese waiting in the long lines outside of AIT will surely be frustrated and even a little angry to think that citizens of many other countries with lower income levels are entering the U.S. without visas. Washington also should not forget that our own government has long granted visa-free entry to U.S. nationals coming for short business or pleasure visits. The U.S. has an obligation to reciprocate by considering the inclusion of Taiwan in the VWP."

13. U.S. Financial Crisis

"The Sino-US Reciprocal Relationship"

Holmes Liao, former adviser to Taiwan's Ministry of Foreign Affairs and adjunct professor at the War College, National Defense University, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (10/19):

"Regardless of whether the massive US bailout of Wall Street with huge capital injections into the banking system will work or not, the world has seen the end of laissez-faire, free-market economies. If the US financial and monetary systems are not salvaged or partially rebuilt, the US may lose its credibility and status as a

financial superpower. ... What do all these events mean to Taiwanese? Geopolitically speaking, the US will find it harder to denounce China for human rights abuses while simultaneously expecting Beijing to keep buying US Treasury bills. If China's ownership of US debt exceeds a certain threshold, Beijing may even hold veto power over US support for Taiwan, especially in a military contingency across the Taiwan Strait.

"Taiwan lacks strategic thinking and appears rather weak and passive in the face of the current financial crisis. Not surprisingly, the nation was completely excluded from the recent 'ASEAN plus three' conference - potentially the world's largest free trade zone - which discussed concerted action to tackle the global monetary tsunami. Taiwan is lucky Beijing hasn't attempted to acquire U.S. banks that are on the verge of bankruptcy. If China were to acquire foundering US banks, it would not only help Beijing gain inside knowledge of the U.S. financial system, but would also dramatically reshape the negative impression of China in the U.S. ...

"Taiwanese have long suffered from political-economic schizophrenia, because we maintain that Taiwan is a sovereign country and simultaneously conduct business and trade with China without demanding the auspices of a sovereign nation. As we criticize the U.S. for losing the moral high ground when it invaded Iraq, by a similar token, it is illogical for Taiwan to expect the U.S. to support its sovereignty while Taipei leans ever closer to Beijing."

YOUNG